

October 31, 2014

Summary of Consolidated Earnings Report for the Second Quarter of Fiscal Year Ending March 31, 2015 (Japanese GAAP)

Name of listed company: **Nippon Express Co., Ltd.**Code: **9062**

Listed stock exchanges: Tokyo

(URL <http://www.nipponexpress.com> (English))(URL <http://www.nittsu.co.jp> (Japanese))

Representative: President, CEO

Kenji Watanabe

Scheduled date for release of Quarterly Financial Report: November 14, 2014

Scheduled date of dividend payment: December 2, 2014

Availability of supplementary briefing material on quarterly financial results: Available

(Millions of yen, rounded down)

1. Consolidated Financial Results for the Six Months Ended September 30, 2014 (from April 1, 2014 to September 30, 2014)

(1) Consolidated Business Results

(%: compared with the previous period)

	Revenues		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Six Months Ended Sep. 30, 2014	919,222	10.0	20,201	15.7	25,001	11.7	16,058	115.7
Six Months Ended Sep. 30, 2013	835,758	4.6	17,456	10.9	22,387	8.6	7,443	(34.2)

(Note) Comprehensive income:

Six Months Ended Sep. 30, 2014: ¥15,020 million [(44.9%)] Six Months Ended Sep. 30, 2013: ¥27,250 million [285.9%]

	Net income per share	Diluted net income per share
Six Months Ended Sep. 30, 2014	¥ 15.65	—
Six Months Ended Sep. 30, 2013	7.22	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	¥ million	¥ million	%
As of Sep. 30, 2014	1,374,539	518,511	36.7
As of Mar. 31, 2014	1,377,443	509,954	36.0

(Reference) Equity: As of Sep. 30, 2014: ¥504,427 million As of Mar. 31, 2014: ¥495,881 million

2. Dividends Information

	Annual dividend per share				
	First Quarter	Second Quarter	Third Quarter	Year End	Yearly
	¥	¥	¥	¥	¥
Fiscal Year Ended Mar. 31, 2014	—	5.00	—	5.00	10.00
Fiscal Year Ending Mar. 31, 2015	—	5.00			
Fiscal Year Ending Mar. 31, 2015 (Forecast)			—	5.00	10.00

(Note) Revision of dividend projection from recently announced figures: No

3. Forecast of Consolidated Financial Results for FY2014 (from April 1, 2014 to March 31, 2015)

(%: compared with the previous period)

	Revenues		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full year	1,870,000	6.7	45,000	10.1	53,000	5.7	30,000	13.9	29.25

(Note) Revision of consolidated results forecast from recently announced figures: No

*Notes

- (1) Significant changes of subsidiaries during the period under review (affecting specific subsidiaries due to changes in scope of consolidation): No
- (2) Adoption of special accounting treatment for preparing Quarterly Consolidated Financial Statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates and corrections of errors
 - 1) Changes in accounting policies due to the revision of accounting standards, etc.: Yes
 - 2) Any changes in accounting policies other than 1) above: Yes
 - 3) Changes in accounting estimates: No
 - 4) Corrections of errors: No

(4) Total number of issued shares (common stock)

1) Total number of issued shares at end of period (including treasury stock)	As of Sep. 30, 2014	1,062,299,281 shares	As of Mar. 31, 2014	1,062,299,281 shares
2) Total number of treasury stocks at end of period	As of Sep. 30, 2014	36,517,754 shares	As of Mar. 31, 2014	36,445,417 shares
3) Average number of shares during period	Six months ended Sep. 30, 2014	1,025,833,277 shares	Six months ended Sep. 30, 2013	1,030,513,274 shares

*Status of execution of the quarterly review of financial statements

Because this Consolidated Earnings Report is not subject to the review of the quarterly financial statements under the Financial Instruments and Exchange Act, the procedures for said review were not completed at the time of disclosing this report.

*Explanation for the appropriate use of financial forecasts and other special notes

The forward-looking statements and other results forecasts stated herein are based on the information available at the time this report was prepared and on certain assumptions considered to be reasonable. Accordingly, actual business performance may differ significantly from forecasts due to a number of factors. Please refer to "1. Qualitative Information on Quarterly Financial Results, (3) Explanation of Consolidated Financial Results Forecasts and Other Forward-looking Information" on page 5 for the use of preconditions of the financial forecasts and the use of the forecasts.

Nippon Express Co., Ltd. is planning to hold a briefing session for institutional investors and analysts on October 31, 2014. Materials provided shall be posted on the Company's website immediately after the session.

Disclaimer:

This English translation has been prepared for general reference purposes only. The Company shall not be responsible for any consequence resulting from the use of the English translation in place of the original Japanese text. In any legal matter, readers should refer to and rely upon the original Japanese text released on October 31, 2014.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Business Results

During the six months ended September 30, 2014, the Japanese economy saw a moderate recovery trend, backed by yen depreciation and rising stock prices resulting from the government's economic policies, despite weakness in some areas of personal consumption and corporate production due to the impact of the rebound following the last-minute rise in demand before the increase in the consumption tax, unfavorable weather, and other factors.

Amid these economic conditions, in the field of logistics, domestic freight was slack overall, due to a decline in consumer-related freight in addition to a falling off in construction-related freight. Meanwhile, international freight remained steady overall despite sluggish imports, as exports showed robust growth reflecting a moderate recovery in the global economy.

In this business environment, during the six months ended September 30, 2014, in the Distribution & Transportation segment, domestic companies of the Nippon Express Group recorded a year on year increase in revenues in the segments of Combined Business, Security Transportation, Heavy Haulage & Construction and Air Freight Forwarding. Meanwhile, overseas companies posted a year on year increase in revenues in each segments of the Americas, Europe, East Asia, and South Asia & Oceania. With regard to the Goods Sales segment, revenues increased year on year due to factors such as the rise in the petroleum sales unit price, and the Other segment recorded a year on year increase in revenues due to factors such as the addition of a new consolidated subsidiary.

As a result, revenues increased by ¥83.4 billion, or 10.0% year on year, to ¥919.2 billion, while ordinary income increased by ¥2.6 billion, or 11.7% year on year, to ¥25.0 billion. Net income increased by ¥8.6 billion or 115.7% year on year, to ¥16.0 billion.

(2) Explanation of Financial Position

Total assets as at the end of the second quarter ended September 30, 2014 amounted to ¥1,374.5 billion, a decrease of ¥2.9 billion or 0.2% from the end of the previous fiscal year.

Current assets amounted to ¥641.2 billion, a decrease of ¥5.7 billion or 0.9% from the end of the previous fiscal year, while noncurrent assets totaled ¥733.2 billion, an increase of ¥2.8 billion or 0.4% from the end of the previous fiscal year.

The primary factors behind the decrease in current assets were decrease in cash and cash in banks, etc.

The primary factors behind the increase in noncurrent assets were increase in tangible leased assets.

Current liabilities decreased by ¥16.0 billion or 3.7% from the end of the previous fiscal year to ¥421.3 billion, while noncurrent liabilities increased ¥4.6 billion or 1.1% to ¥434.6 billion from the end of the previous fiscal year.

The decrease in current liabilities was primarily due to the redemption of bonds payable, etc.

The increase in noncurrent liabilities was mainly attributable to the increase in long-term lease obligations etc.

Net assets amounted to ¥518.5 billion at the end of the second quarter ended September 30, 2014, an increase of ¥8.5 billion or 1.7% from the end of the previous fiscal year. This was attributable to the increase in retained earnings, etc.

(Consolidated cash flows)

Cash and cash equivalents as at the end of the second quarter ended September 30, 2014 decreased by ¥8.1 billion from the end of the previous fiscal year, to ¥117.7 billion.

Net cash provided by operating activities amounted to ¥21.1 billion in proceeds. This was primarily due to ¥26.2 billion of income before income taxes and minority interests, etc.

Net cash used in investment activities totaled ¥18.5 billion in expenditures. This was mainly due to ¥26.4 billion in payment for purchase of property and equipment, etc.

Net cash used in financing activities amounted to ¥9.3 billion in expenditures. This was mainly due to ¥15.0 billion in payment for the redemption of bonds payable, etc.

As noted in "Changes in Scope of Funds in Consolidated Statements of Cash Flows" in (Changes in Accounting Policies) on page 6, cash related to the Cash Safety Delivery (CSD) and exchange money delivery services of the Security Transportation Business is excluded from the scope of funds (i.e., cash and cash equivalents), effective from the first quarter ended June 30, 2014. Therefore, the figures stated above are retrospectively adjusted based on this change in the accounting policies.

(3) Explanation of Consolidated Financial Results Forecasts and Other Forward-looking Information

At present, there are no changes to the forecasts of financial results for the fiscal year ending March 31, 2015, announced on May 8, 2014.

The Group will continue to study the performance forecasts going forward, and will make a prompt disclosure in the event that any revisions need to be made regarding the financial results forecasts.

2. Matters Related to Summary Information (Notes)

(1) Significant Changes of Subsidiaries during the Period under Review

Not applicable.

(2) Adoption of Special Accounting Treatment for Preparing Quarterly Consolidated Financial Statements

Calculation of Tax Expenses

Tax expenses are calculated by reasonably estimating the effective tax rate following application of tax effect accounting to income before income taxes and minority interests for the consolidated fiscal year, which includes the second quarter ended September 30, 2014, and multiplying income before income taxes and minority interests by said estimated effective tax rate.

(3) Changes in Accounting Policies, Changes in Accounting Estimates and Corrections of Errors

(Changes in Accounting Policies)

Retirement Benefits

With regard to the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012; the "Retirement Benefits Accounting Standard") and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012; the "Guidance on Retirement Benefits"), the Company has applied provisions set forth in Paragraph 35 of the Retirement Benefits Accounting Standard and Paragraph 67 of the Guidance on Retirement Benefits effective from the first quarter ended June 30, 2014. Under the new policy, the Company reviewed the method of calculating retirement benefit obligation and service cost, and, in regard to the method to determine the discount rate, changed from the use of the period approximate to the expected average remaining working years of employees to the use of a single weighted average discount rate reflecting the estimated timing of benefit payment and its amount for each estimated timing, mainly as the period of maturity of bond used as assumptions in determining the discount rate.

The Retirement Benefits Accounting Standard, etc., are being applied transitionally as set forth in Paragraph 37 of the Retirement Benefits Accounting Standard. At the beginning of the first quarter ended June 30, 2014, the amount of effect of the change in the method of calculating retirement benefit obligation and service cost is stated as increase or decrease in retained earnings.

As a result of this change, net retirement benefit liability increased by ¥2,825 million and retained earnings decreased by ¥1,819 million at the beginning of the first quarter ended June 30, 2014. The effect of this change on operating income, ordinary income and income before income taxes and minority interests for the second quarter ended September 30, 2014 is immaterial.

Changes in Scope of Funds in Consolidated Statements of Cash Flows

Cash related to the CSD and exchange money delivery services of the Security Transportation Business was previously included in the scope of funds (i.e., cash and cash equivalents). However, due to increasing volume of requests for these services, net changes in the amount of deposits received from customers has increased its impact on "cash flows from operating activities". At the same time, there are increasing needs for more transparent disclosure of the current state of the funds supporting our business strategies including M&As. Therefore, reviews of the services were conducted in accordance with their actual conditions in the wake of system upgrades implemented for the purpose of enhancing fund management and capturing more detailed information. As a result, in order to disclose the state of cash flows more adequately, cash related to the CSD and exchange money delivery services are excluded from the scope of funds starting from the first quarter ended June 30, 2014.

This change in the accounting policies has been applied retrospectively, and the consolidated financial statements for the six months ended September 30, 2013 (April 1, 2013 to September 30, 2013) consist of the figures after the retrospective application.

Consequently, for the six months ended September 30, 2013, "net cash provided by (used in) operating activities" and "net increase in cash and cash equivalents" increased by ¥22,512 million, respectively, while "cash and cash equivalents at end of period" decreased by ¥44,301 million, compared to those before the retrospective application.

(4) Supplementary Information

(Allowance for class action lawsuit filed in the United States)

In March 2009, the Company was handed down a cease and desist order from the Japan Fair Trade Commission for the reason of violation of the Antimonopoly Act regarding fuel surcharges on international airfreight forwarding.

To provide for possible future loss on a class action lawsuit filed in the United States due to this incident, the Company recorded the amount estimated at this point at ¥3,315 million as “allowance for class action lawsuit filed in the United States.”

(Retirement benefits)

Due to some revisions the Company made in the employees' retirement benefits rules during the first quarter ended June 30, 2014, the retirement benefit obligation increased by ¥3,508 million. However, as it falls under the prior service cost, this increase is amortized by the straight-line method over 15 years in accordance with the Company's accounting policies.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Millions of yen)

	FY2013 (as of March 31, 2014)	Second Quarter of FY2014 (as of September 30, 2014)
ASSETS		
Current assets:		
Cash and cash in banks	186,297	170,239
Notes receivable—trade	14,540	15,027
Accounts receivable—trade	273,330	275,543
Inventories	8,722	7,801
Other	165,468	173,930
Less: allowance for doubtful accounts	(1,289)	(1,245)
Total current assets	647,069	641,297
Noncurrent assets:		
Property and equipment		
Vehicles, net	22,032	21,949
Buildings, net	244,122	238,572
Land	174,248	174,009
Other, net	65,340	74,805
Net property and equipment	505,745	509,337
Intangible assets		
Goodwill	16,982	15,469
Other	42,224	40,499
Total intangible assets	59,206	55,968
Investments and other assets		
Investment securities	112,713	115,162
Other	53,856	53,947
Less: allowance for doubtful accounts	(1,146)	(1,173)
Total investments and other assets	165,423	167,936
Total noncurrent assets	730,374	733,241
Total assets	1,377,443	1,374,539
LIABILITIES		
Current liabilities:		
Notes payable—trade	8,024	6,763
Accounts payable—trade	153,390	143,221
Short-term loans payable	46,813	68,790
Income taxes payable	17,063	10,864
Provision for bonuses	20,281	20,411
Allowance for class action lawsuit filed in the United States	—	3,315
Other provisions	200	87
Other	191,674	167,896
Total current liabilities	437,449	421,350
Noncurrent liabilities:		
Bonds payable	65,000	65,000
Long-term loans payable	204,037	194,431
Other provisions	1,419	1,257
Net retirement benefit liability	126,951	130,977
Other	32,631	43,010
Total noncurrent liabilities	430,040	434,676
Total liabilities	867,489	856,027

(Unit: Millions of yen)

	FY2013 (as of March 31, 2014)	Second Quarter of FY2014 (as of September 30, 2014)
NET ASSETS		
Shareholders' equity:		
Common stock	70,175	70,175
Additional paid-in capital	26,908	26,908
Retained earnings	417,869	427,635
Less: treasury stock	(17,353)	(17,388)
Total shareholders' equity	497,599	507,330
Accumulated other comprehensive income:		
Valuation differences on available-for-sale securities	40,077	42,916
Deferred gains (losses) on hedges	3	67
Foreign currency translation adjustments	3,829	(690)
Remeasurements of retirement benefit plans	(45,628)	(45,196)
Total accumulated other comprehensive income	(1,717)	(2,902)
Minority interests	14,072	14,083
Total net assets	509,954	518,511
Total liabilities and net assets	1,377,443	1,374,539

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Unit: Millions of yen)

	Six months ended Sep. 30, 2013 (from April 1, 2013 to September 30, 2013)	Six months ended Sep. 30, 2014 (from April 1, 2014 to September 30, 2014)
Revenues	835,758	919,222
Operating costs	778,314	856,731
Gross profit	57,444	62,491
Selling, general and administrative expenses:	39,987	42,289
Operating income	17,456	20,201
Non-operating income:		
Interest income	333	329
Dividends income	1,768	1,595
Equity in earnings of affiliates	294	149
Other	4,793	4,962
Total non-operating income	7,189	7,036
Non-operating expenses:		
Interest expenses	1,596	1,460
Other	662	775
Total non-operating expenses	2,258	2,236
Ordinary income	22,387	25,001
Extraordinary income:		
Gain on sales of noncurrent assets	2,100	1,613
Gain on sales of investment securities	168	5,146
Other	24	8
Total extraordinary income	2,292	6,768
Extraordinary loss:		
Loss on disposal of noncurrent assets	1,600	2,095
Loss on valuation of investment securities	20	3
Extraordinary additional retirement benefits	9,725	—
Provision for allowance for class action lawsuit filed in the United States	—	3,315
Other	155	119
Total extraordinary loss	11,502	5,533
Income before income taxes and minority interests	13,178	26,235
Income taxes	5,357	9,890
Income before minority interests	7,821	16,344
Minority interests	377	286
Net income	7,443	16,058

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)

	Six months ended Sep. 30, 2013 (from April 1, 2013 to September 30, 2013)	Six months ended Sep. 30, 2014 (from April 1, 2014 to September 30, 2014)
Income before minority interests	7,821	16,344
Other comprehensive income:		
Valuation differences on available-for-sale securities	8,727	2,836
Deferred gains (losses) on hedges	2	64
Foreign currency translation adjustments	10,368	(4,496)
Remeasurements of defined benefit plans	-	395
Share of other comprehensive income of affiliates accounted for using the equity method	330	(125)
Other comprehensive income	19,429	(1,324)
Comprehensive income	27,250	15,020
(Comprehensive income attributable to)		
Shareholders of Nippon Express	26,533	14,872
Minority interests	716	147

(3) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	Six months ended Sep. 30, 2013 (from April 1, 2013 to September 30, 2013)	Six months ended Sep. 30, 2014 (from April 1, 2014 to September 30, 2014)
Cash flows from operating activities		
Income before income taxes and minority interests	13,178	26,235
Depreciation and amortization	22,067	24,189
Extraordinary additional retirement benefits	9,725	–
Increase (decrease) in allowance for class action lawsuit filed in the United States	–	3,315
Interest and dividend income	(2,101)	(1,924)
Interest expense	1,596	1,460
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(294)	(149)
(Increase) decrease in trade receivables	3,071	(5,573)
(Increase) decrease in inventories	(378)	976
Increase (decrease) in accounts payable	(9,169)	(10,213)
Other	(5,434)	(2,015)
Sub-total	32,260	36,301
Interest and dividends received	2,180	2,513
Interest paid	(1,475)	(1,511)
Payments for extraordinary additional retirement benefits	(9,725)	–
Payment for loss on disaster	(48)	–
Income taxes paid	(6,777)	(16,155)
Net cash provided by (used in) operating activities	16,413	21,147
Cash flows from investment activities		
Payment for purchase of property and equipment	(20,531)	(26,427)
Proceeds from sales of property and equipment	3,064	1,911
Proceeds from sales of investment securities	219	7,397
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(5,182)	–
Other	959	(1,421)
Net cash used in investment activities	(21,471)	(18,539)
Cash flows from financing activities		
Change in short-term loans payable	19	2,428
Proceeds from long-term loans payable	59,800	30,000
Payment of long-term loans payable	(22,895)	(20,570)
Redemption of bonds payable	–	(15,000)
Cash dividends	(5,248)	(5,129)
Purchase of treasury stock	(11,231)	(34)
Other	5,079	(1,009)
Net cash used in financing activities	25,523	(9,314)
Effect of exchange rate changes on cash	3,308	(1,642)
Net increase in cash and cash equivalents	23,773	(8,348)
Cash and cash equivalents at beginning of period	113,689	125,900
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	–	172
Cash and cash equivalents at end of period	137,463	117,724

(4) Notes to Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

Not applicable.

(Notes in Cases Where There are Significant Changes in Amount of Shareholders' Equity)

Not applicable.

(Segment Information, etc.)

[Segment Information]

I. Six Months ended September 30, 2013 (From April 1, 2013, to September 30, 2013)

Information concerning the amount of revenues and income or loss by reportable segment

(Unit: Millions of yen)

	Distribution & Transportation						
	Domestic Companies					Overseas Companies	
	Combined Business	Security Transportation	Heavy Haulage & Construction	Air Freight Forwarding	Marine & Harbor Transportation	The Americas	Europe
Revenues							
Revenues from external customers	349,912	27,317	18,046	87,195	63,167	27,418	31,509
Intersegment	3,380	12	93	909	4,103	6,122	2,634
Total	353,292	27,330	18,140	88,104	67,270	33,540	34,143
Segment income	5,238	486	1,021	2,432	3,333	1,164	383

	Distribution & Transportation		Goods Sales	Other	Total	Adjustments (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Overseas Companies						
	East Asia	South Asia & Oceania					
Revenues							
Revenues from external customers	38,471	22,442	159,426	10,852	835,758	—	835,758
Intersegment	3,533	1,915	30,963	9,338	63,006	(63,006)	—
Total	42,004	24,358	190,389	20,190	898,765	(63,006)	835,758
Segment income	695	557	2,056	636	18,006	(549)	17,456

(Notes) 1. Adjustment in segment income of ¥549 million includes intersegment transaction elimination of ¥144 million and corporate expenses not allocated to each reportable segment of ¥708 million. Corporate expenses mainly consist of expenses related to corporate image advertising and the Company's administration of group companies.

2. Segment income is reconciled with operating income in the consolidated statements of income.

II. Six Months ended September 30, 2014 (From April 1, 2014, to September 30, 2014)

1. Information concerning the amount of revenues and income or loss by reportable segment

(Unit: Millions of yen)

	Distribution & Transportation						
	Domestic Companies					Overseas Companies	
	Combined Business	Security Transportation	Heavy Haulage & Construction	Air Freight Forwarding	Marine & Harbor Transportation	The Americas	Europe
Revenues							
Revenues from external customers	361,747	27,621	24,512	90,889	54,902	31,113	36,930
Intersegment	3,823	15	101	1,009	4,772	6,325	2,643
Total	365,571	27,636	24,614	91,898	59,674	37,439	39,574
Segment income	6,471	387	1,124	2,565	2,918	1,740	1,040

	Distribution & Transportation		Goods Sales	Other	Total	Adjustments (Note 1)	Amount recorded in consolidated financial statements (Note 2)
	Overseas Companies						
	East Asia	South Asia & Oceania					
Revenues							
Revenues from external customers	43,867	26,838	177,852	42,945	919,222	–	919,222
Intersegment	4,229	2,336	30,579	10,883	66,721	(66,721)	–
Total	48,097	29,175	208,432	53,829	985,943	(66,721)	919,222
Segment income	726	683	2,763	732	21,153	(952)	20,201

(Notes) 1. Adjustment in segment income of ¥952 million includes intersegment transaction elimination of ¥144 million and corporate expenses not allocated to each reportable segment of ¥1,105 million. Corporate expenses mainly consist of expenses related to corporate image advertising and the Company's administration of group companies.

2. Segment income is reconciled with operating income in the consolidated statements of income.

2. Matters related to changes, etc. in reportable segments

As noted in "Changes in Accounting Policies," following the change in the calculation method for retirement benefit obligation and service cost effective from the first quarter ended June 30, 2014, the Company has changed the calculation method for these items for each business segment in the same manner.

The effect of this change on each reportable segment and others is immaterial.

4. Reference Materials

(1) Financial Results of Reportable Segment

(Unit: Millions of yen, %)

			Six months ended Sep. 30, 2014	Six months ended Sep. 30, 2013	Change			
					Amount	Ratio		
Revenues	Reportable Segment	Distribution & Transportation	Combined Business	365,571	353,292	12,278	3.5	
			Security Transportation	27,636	27,330	306	1.1	
			Heavy Haulage & Construction	24,614	18,140	6,474	35.7	
			Air Freight Forwarding	91,898	88,104	3,793	4.3	
			Marine & Harbor Transportation	59,674	67,270	(7,595)	(11.3)	
			Subtotal	569,395	554,138	15,257	2.8	
			Overseas Companies	The Americas	37,439	33,540	3,898	11.6
				Europe	39,574	34,143	5,430	15.9
				East Asia	48,097	42,004	6,092	14.5
				South Asia & Oceania	29,175	24,358	4,816	19.8
		Subtotal	154,286	134,047	20,238	15.1		
		Total	723,682	688,185	35,496	5.2		
		Goods Sales	208,432	190,389	18,042	9.5		
		Other	53,829	20,190	33,638	166.6		
		Subtotal	985,943	898,765	87,178	9.7		
Adjustment	(66,721)	(63,006)	(3,714)	—				
Total	919,222	835,758	83,463	10.0				
Segment Income (Operating Income)	Reportable Segment	Distribution & Transportation	Combined Business	[1.8] 6,471	[1.5] 5,238	1,232	23.5	
			Security Transportation	[1.4] 387	[1.8] 486	(98)	(20.3)	
			Heavy Haulage & Construction	[4.6] 1,124	[5.6] 1,021	103	10.2	
			Air Freight Forwarding	[2.8] 2,565	[2.8] 2,432	133	5.5	
			Marine & Harbor Transportation	[4.9] 2,918	[5.0] 3,333	(414)	(12.4)	
			Subtotal	[2.4] 13,467	[2.3] 12,512	955	7.6	
			Overseas Companies	The Americas	[4.6] 1,740	[3.5] 1,164	575	49.5
				Europe	[2.6] 1,040	[1.1] 383	657	171.5
				East Asia	[1.5] 726	[1.7] 695	30	4.4
				South Asia & Oceania	[2.3] 683	[2.3] 557	125	22.4
		Subtotal	[2.7] 4,189	[2.1] 2,801	1,388	49.6		
		Total	[2.4] 17,657	[2.2] 15,313	2,344	15.3		
		Goods Sales	[1.3] 2,763	[1.1] 2,056	707	34.4		
		Other	[1.4] 732	[3.2] 636	95	15.0		
		Subtotal	[2.1] 21,153	[2.0] 18,006	3,147	17.5		
Adjustment	(952)	(549)	(402)	—				
Total	[2.2] 20,201	[2.1] 17,456	2,744	15.7				

(Note) Figures in brackets indicate Operating Margins.

(2) Summary of Non-consolidated Statements of Income

(Unit: Millions of yen, %)

		Six months ended		Six months ended		Change		
		Sep. 30, 2014	% in Sales	Sep. 30, 2013	% in Sales	Amount	Ratio	
Revenues	Railway utilization transportation	40,426	7.7	40,279	7.8	147	0.4	
	Motor transportation	Combined delivery services	40,323	7.6	40,170	7.8	153	0.4
		Chartered truck services	135,374	25.7	134,054	26.1	1,320	1.0
		Subtotal	175,698	33.3	174,224	33.9	1,474	0.8
	Marine and harbor transportation	Marine transportation	37,618	7.2	36,526	7.1	1,092	3.0
		Harbor transportation	27,565	5.2	28,542	5.6	(976)	(3.4)
		Subtotal	65,183	12.4	65,068	12.7	115	0.2
		(Exports)	[31,198]	—	[31,032]	—	[165]	[0.5]
		(Imports)	[19,969]	—	[20,299]	—	[(330)]	[(1.6)]
		(Domestic)	[14,016]	—	[13,736]	—	[280]	[2.0]
	Air transportation	Warehousing	56,790	10.8	56,301	11.0	488	0.9
		International air freight	49,037	9.3	47,017	9.2	2,019	4.3
		(Exports)	[38,075]	—	[37,055]	—	[1,019]	[2.8]
		(Imports)	[10,961]	—	[9,962]	—	[999]	[10.0]
		Domestic air freight	19,765	3.7	19,144	3.7	620	3.2
		Subtotal	68,802	13.0	66,162	12.9	2,639	4.0
		Heavy haulage & construction	30,607	5.8	22,359	4.4	8,248	36.9
		Incidental operations and others	90,019	17.0	89,396	17.3	623	0.7
		Total	527,530	100.0	513,792	100.0	13,738	2.7
		(Domestic operation-related revenues)	[411,107]	77.9	[404,258]	78.7	[6,849]	[1.7]
	(Overseas-related revenues)	[116,423]	22.1	[109,534]	21.3	[6,888]	[6.3]	
Operating expenses	Employment costs	Drivers/workers	59,663	11.3	58,355	11.4	1,308	2.2
		Office personnel	67,885	12.9	68,278	13.3	(392)	(0.6)
		Subtotal	127,548	24.2	126,633	24.7	915	0.7
	Forwarding costs	Railway	20,933	4.0	21,127	4.1	(194)	(0.9)
		Marine	13,417	2.5	12,505	2.4	911	7.3
		Air	21,128	4.0	21,080	4.1	47	0.2
		Subtotal	55,478	10.5	54,714	10.6	764	1.4
		Vehicle chartering and subcontracting costs	220,040	41.7	210,199	40.9	9,840	4.7
		Depreciation and amortization	14,497	2.7	14,223	2.8	274	1.9
		Facility usage charges	36,159	6.9	35,925	7.0	233	0.7
	Other	62,369	11.8	61,877	12.0	492	0.8	
	Total	516,094	97.8	503,572	98.0	12,521	2.5	
	Operating income	11,435	2.2	10,219	2.0	1,216	11.9	
	Non-operating income	5,832	1.1	5,325	1.0	507	9.5	
	Non-operating expenses	1,901	0.4	1,982	0.4	(81)	(4.1)	
	Ordinary income	15,367	2.9	13,561	2.6	1,805	13.3	
	Extraordinary income	6,505	1.2	694	0.1	5,811	836.9	
	Extraordinary loss	5,389	1.0	11,116	2.1	(5,726)	(51.5)	
	Income before income taxes	16,483	3.1	3,140	0.6	13,343	424.9	
	Income taxes	5,436	1.0	1,093	0.2	4,343	397.0	
	Net income	11,046	2.1	2,046	0.4	9,000	439.8	

(Note) As more than one fiscal year has passed since the transfer of travel business to its subsidiary, NIPPON EXPRESS TRAVEL CO., LTD., the Company no longer records sales related to the business. Accordingly, "Travel" is deleted from category of Revenues in the Summary of Non-consolidated Statements of Income effective from the fiscal year under review. The figure for the previous year (¥216 thousand) is now included in "Incidental operations and others."